



DATE: June 27, 2019
TO: Health and Human Services Interim Committee
FROM: Behavioral Health Alliance of Montana
RE: In the matter of the amendment of ARM 37.27.902, 37.85.104, 37.85.105, 37.85.106, and 37.88.101 pertaining to Medicaid rates, services, and benefit changes.

First, we would like to publicly thank the staff of Addiction and Mental Disorders Division for meeting with the Behavioral Health Alliance providers several times to create sustainable and equitable funding for the Intensive Outpatient Program for Substance Use Disorder (SUD) clients. Zoe Barnard, Melissa Higgins, and Isaac Coy worked with the Alliance to craft a program that worked for providers and the state. It is through this type of open, respectful communication that we believe that we can improve the services provided to all children and adults served by the behavioral health programs of Montana. This program will allow SUD clients to receive services that have the potential to change and improve their lives. AMDD was very responsive to our requests for clarifications in the rule language, and we are pleased to have worked in tandem with the department on this program.

We would also like to thank the Legislature for allocating funding for the 0.9% increase to provider rates. Any increase is very welcome, but we would be remiss if we didn't note that this is the first provider increase since 2016, and in that same time, inflation has increased 4.5%. As the cost of providing care continues to increase, driven by increases of 30-40% in provider wages over the last two years alone, behavioral health providers must remain competitive in order to recruit and retain a quality workforce and keep our doors open.

We are also extremely appreciative to the Legislature for the additional \$3.5M appropriated for mental health Targeted Case Management. In the new rules, Montana Medicaid has proposed a Targeted Case Management interim rate of \$13.32 per unit. This is far less than the rate of \$19.45 per unit prior to the budget cuts of January 2018. The \$13.32 rate is not sustainable and does not incorporate the additional \$3.5M appropriated for this service.

The Alliance understands that the state will be working with adult and children's Targeted Case Management providers over the next two to three months to establish a Targeted Case Management model and rate that covers costs, incentivizes a quality service, and is sustainable. Behavioral Health providers cannot sustain programs that pay less than the actual cost of doing business. Since the budget cuts, numerous offices, both rural and urban, as well as entire agencies, have gone out of business because of the low reimbursement. Our most vulnerable clients have been left without these services for 18 months, and the program must be reinstated. We are eager to work with the state on crafting a sustainable Targeted Case Management Program that provides quality outcomes.

Respectfully,
Mary Windecker, Executive Director and
members of the Behavioral Health Alliance of Montana